



Illinois Commerce Commission
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A Business Consumer's Guide to Electric Service Restructuring

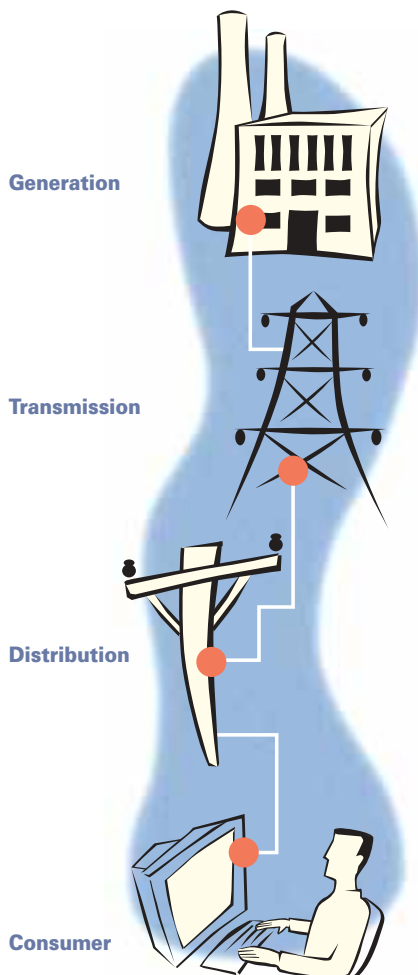


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It's Time to Get Plugged In



The Illinois Electric Service Customer Choice and Rate Relief Law of 1997 restructures the state's electric utility industry and offers customers choices and competitive prices. The Illinois Commerce Commission (ICC) has developed this guide to help you understand the restructuring process and what the power of choice can offer you.



How does the electric system work? There are three steps to getting electricity: **generation** (production of electricity), **transmission** (sending high voltage power to distribution points), and **distribution** (delivering power to your business or home).

What is changing? Illinois is establishing a competitive market for electric service and the generation portion is opening to choice. Yet, unless you choose differently, your current electric company will continue to handle all three steps.

What will I be choosing? You will choose who provides the generation portion. Power will be sold not only by your current electric utility company but also by other electric utilities and alternative retail electric suppliers (ARES).

What remains the same? Your current electric utility company remains responsible for delivering electricity. The current electric utility company must provide reliable delivery service even if you choose a new supplier.



Making Choices

Why would I want to choose? Electric restructuring empowers customers to choose who supplies the generation portion of electric service. The supplier can be the current electric utility or another supplier. You may choose the company that supplies your electric generation based on your own needs and preferences. Those may include how or where the electricity is produced, economic or environmental support, the lowest price or total cost or the best combination of prices, services and incentives.

Do I have to make a change? No. You may choose to change suppliers or do nothing and remain with your current electric utility. Regardless of which company you choose to generate electricity, your current electric company remains responsible for delivering your electricity and providing reliable delivery service.

How do I change suppliers? After you sign an agreement with another supplier, that new supplier will notify your current utility.

If I change suppliers, will my current electric utility treat me differently? The electric utility company cannot discriminate based on who supplies your generation. It must deliver electricity to eligible customers regardless of their electricity suppliers. The ICC must review and approve any charges, terms, and conditions for delivery services.

If I stay with my utility company, will anything change? You will continue to receive the same service as you do now.

Will I save money? That depends. You'll need to compare prices and charges for changing suppliers.

Will everyone have the opportunity to choose electric suppliers?

As of May 2002 all electric customers of Illinois investor-owned utilities have an opportunity to choose electric suppliers. Electric co-ops and municipal systems may elect to enter the competitive marketplace to offer their customers choice, but they are not required to participate.

Phased-in Schedule

When can I make a choice?

The law provides for a phased-in schedule for customer choice.

October 1, 1999:

- Non-residential, retail customers that meet the following requirements will be able to choose their electric supplier:
 - 1) All customers with average electric demand of 4 megawatts and greater;
 - 2) Commonly owned commercial customers who operate 10 or more sites which total at least 9.5 megawatts of demand;
 - 3) Non-governmental, non-residential customers under common ownership may participate in a separate lottery within the group to ensure that 33% of their consumption may exercise choice;
 - 4) One third of all remaining non-residential customers selected through a lottery approved by the ICC.

June/October 2000

- Choice of electric service suppliers is phased in for certain ComEd industrial/manufacturing customers.

December 31, 2000

- All remaining non-residential customers in the service area.

May 1, 2002

- All residential customers in the service area.



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Purchasing Power

What options exist for purchasing power?

- Remain with the current utility as a *bundled* customer (generation, transmission, and distribution)
- Elect to become a *delivery services* customer (As a delivery services customer you may purchase the generation portion of your electricity from another electric utility, from an ARES, or from the current utility by exercising the *power purchase option*.)

Who may be marketing power?

- ARES
- Aggregators, or group buyers
- Utilities, selling outside their service areas



Energy Sources

Coal, hydro, natural gas, nuclear, oil, solar, wind, and other resources are used to generate electricity. If you are interested in purchasing environmentally friendly energy, ask suppliers what percentage of their energy mix is generated by renewable resources. As part of the billing process, electric suppliers must also include, on a quarterly basis, the known sources of electricity and the amounts of carbon dioxide, nitrous oxide, sulfur dioxide emissions and nuclear waste attributable to the known electricity sources.

Billing

How will I be billed? If you choose to become a delivery services customer, expect changes in how you are billed. You may receive one bill from the new supplier, or you may receive separate bills — one from the electric supplier and one from the local utility company that delivers electricity to you.

The charges on an electric bill could include:

- **Generation charge** for producing electricity.
- **Delivery service charges** for distribution service provided by the electric utility company to keep the transmission and distribution systems functioning so customers can receive electric service.
- **Transition charge** for costs incurred by the local utility prior to restructuring may be charged through the transition period (December 2006).
- **Customer charge**, which is a basic service charge to partially cover the costs of billing, meter reading, equipment and service line maintenance.



Safeguarding Your Service

What safeguards have been built into the new system to protect customers?

- Electric suppliers must obtain written authorization from customers before switching their service from another supplier.
- Marketing materials that disclose the prices, terms and conditions of the products or services offered or sold to the customer must be accurate.
- ARES must be certified by the ICC. Lists of suppliers are available from the utility and ICC. See the ICC web site www.icc.state.il.us/pluginillinois for a complete listing.
- If an electric supplier or local utility fails to provide promised service, the law permits you to file a complaint with the ICC (800) 524-0795 and/or the Illinois Attorney General at (800) 386-5438 in Chicago, (800) 243-0618 in Springfield, or (800) 243-0607 in Carbondale.
- The ICC will monitor the marketplace and publish on its web site the names of companies that fail to provide service in accordance with the terms of their contracts.

Customer Rights

- **Unauthorized switching of suppliers.** The law prohibits switching customers without written authorization.
- **Terms of service.** Before beginning to provide service, a supplier must provide a terms of service statement detailing charges, length of the contract, process for notification regarding changes in terms of service and a toll-free number to call.
- **Access to billing data.** Customers or authorized agents are entitled to obtain their billing and usage data from the current electric utility upon request but may be required to pay a reasonable fee.
- **Customer service call center.** All electric utilities and alternative suppliers are required to provide a customer service call center where consumers can receive assistance and information.

Key Terms

Aggregator. An entity that brings customers together to buy electricity in bulk in order to increase customers' buying power. Aggregators facilitate the sale of power but usually are not sellers. Aggregators are defined as ARES only when they **sell electricity**.

Alternative retail electric supplier (ARES).

Any person, corporation, generator, broker, marketer, aggregator or other entity, except an electric utility, certified by the ICC that **sells electricity** to customers.

Bundled Service. Full service, including generation, transmission and distribution.

Delivery services. Services provided by the local electric utility, including standard metering and billing, that are necessary for the delivery of power to customers.

Distribution. The use of wires by the local utility to deliver electricity to a home or business. These services include standard metering.

Electric Utility. An entity that provides electric power generation and delivery services within a local service area and also may sell generation services to customers in other utility service territories.

Generation. The act of changing other forms of energy, such as fossil fuels, nuclear or renewable energy, into electricity.

Kilowatt or kW. The standard unit of measure of electric demand.

Kilowatt-hour or kWh. The standard unit of measure of electricity consumed.

Power Purchase Option (PPO). Eligible customers will be offered an option to purchase power from the current electric utility at market-based prices.

Small commercial retail customer.

A nonresidential retail customer that consumes 15,000 kilowatt-hours or less of electricity annually.

Transition charge. The transition charge covers costs incurred by the local utility prior to restructuring and may be charged through the transition period (December 2006).

Transmission. The delivery of electricity from a generating facility to local utility distribution facilities, typically over high voltage power lines.

Now you know what electric service restructuring is about and how it empowers you to make a choice. Using the following guidelines can help you make an informed decision. Remember to weigh all factors just as you do when selecting any vendor for your business.

- ☐ Review your electric bills for the past year. Rates and usage can vary over a 12 month period.
- ☐ How much electricity do you use?
- ☐ What are the rates for your electric service? Do the rates change depending on the time of day or year?
- ☐ If you are not familiar with the terms and conditions of your current utility service, ask your utility for a customer information booklet.

You may choose another electric utility or an ARES as your source of electric power.



Checklist for choosing a supplier

Some questions to ask before choosing a supplier.

- ☐ Has the supplier been granted a certificate of service authority by the ICC?
- ☐ What is the length of the agreement? What are the terms of the agreement?
- ☐ Will the price offered by the supplier remain the same throughout the length of the contract? Are taxes included in the supplier's price for generation supply?
- ☐ Is there a penalty for canceling an agreement before the term expires?
- ☐ What steps must you take to switch suppliers?
- ☐ Are there restrictions on how much electricity you use and when you use it?
- ☐ Is time of use pricing offered?
- ☐ Is the supplier's price per kilowatt-hour the only charge, or are other fees involved?
- ☐ Am I buying firm or interruptible electric service?
- ☐ Is there a basic or limited service rate that is less expensive?
- ☐ How will I be billed?
- ☐ What fuels will be used to generate the power that I will buy? How do the supplier's power sources affect the environment?
- ☐ Are there any customer services, special programs, or incentives that are part of the supplier's power package of services?

The Consumer Fraud and Deceptive Business Practices Act entitles consumers to register a complaint regarding their electric service provider by contacting the Attorney General at (800) 386-5438 in Chicago, (800) 243-0618 in Springfield, or (800) 243-0607 in Carbondale. Customers may also file a complaint with the Illinois Commerce Commission at (800) 524-0795.

Thank you for taking the time to learn about how the Electric Service Customer Choice and Rate Relief Law of 1997 is restructuring the Illinois electric service industry and the power of choice it gives you. If you would like more information about electric restructuring, please visit the Illinois Commerce Commission's web site at www.icc.state.il.us/pluginillinois or call toll-free at (877) 758-4464/(800) 858-9277 (TTY).

